



Department of Justice

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(202) 514-2007
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CINCINNATI PACKAGED-ICE MANUFACTURER PLEADS GUILTY TO CUSTOMER AND TERRITORY ALLOCATION CHARGE

WASHINGTON — A Cincinnati packaged-ice manufacturer pleaded guilty to allocating packaged-ice customers and territories, the Department of Justice announced today.

The Home City Ice Company (Home City Ice), pleaded guilty to a one-count information charging the company with conspiracy, filed under seal on Nov. 5, 2007, and unsealed today in the U.S. District Court in Cincinnati. Under the terms of the plea agreement, which is subject to court approval, Home City Ice has agreed to cooperate in the ongoing investigation. According to the charge, Home City Ice participated in a conspiracy to suppress and eliminate competition by allocating packaged-ice customers and territories in the Detroit metropolitan area and southeastern Michigan. The conspiracy began at least as early as Jan. 1, 2001, and continued until on or about July 17, 2007.

Packaged ice is marketed as high-grade ice for consumption and is sold in varying size bags and blocks. Home City Ice is a manufacturer of packaged ice with multiple locations throughout the United States.

“Customer and territorial allocation conspiracies such as this one harm the competitive process,” said Thomas O. Barnett, Assistant Attorney General in charge of the Department’s Antitrust Division. “This type of conduct deprives consumers of the benefits of free and open competition.”

According to the charges, Home City Ice and co-conspirators carried out the conspiracy by:

- Participating in meetings and conversations to discuss packaged-ice customers and territories in southeastern Michigan and the Detroit metropolitan area;
- Agreeing during those meetings and conversations to allocate packaged-ice customers and territories in southeastern Michigan and the Detroit metropolitan area;
- Exchanging information during those meetings and conversations, for the purpose of monitoring and enforcing adherence to the agreements to allocate customers and territories in southeastern Michigan and the Detroit metropolitan area; and

- Refraining from competing for packaged-ice customers and territories that were so allocated.

Home City Ice is charged with allocating packaged-ice customers and territories in violation of Section One of the Sherman Act, which carries a maximum fine of \$100 million for a corporation. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Today's case is the first to arise from an ongoing investigation into the packaged-ice industry. The investigation is being conducted by the Antitrust Division's Cleveland Field Office and by FBI offices in Ann Arbor, Mich.; Indianapolis; and Cincinnati and Toledo, Ohio.

Anyone with information concerning customer or territorial allocation agreements, or other anticompetitive conduct in the packaged-ice industry, should contact the Cleveland Field Office of the Antitrust Division at 216-687-8400.

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